

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7343**

**BILL NUMBER:** HB 1296

**NOTE PREPARED:** Feb 2, 2004

**BILL AMENDED:** Feb 2, 2004

**SUBJECT:** Tax levies for community mental health centers.

**FIRST AUTHOR:** Rep. Klinker

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill eliminates tax rates imposed to support a community mental health center (CMHC) from the list of rates that must be reduced to eliminate the effects of reassessment.

**Effective Date:** (Amended) December 13, 2003 (retroactive); Upon Passage.

**Explanation of State Expenditures:** (Revised) This bill would have no state fiscal impact.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) In addition to a mandatory appropriation, counties *may* make a supplemental appropriation for the funding of community mental health centers from the county general fund under current law. This appropriation may not exceed the amount that would be generated in the county by a property tax rate of \$0.0333, as adjusted for reassessment. Lake county *may* also appropriate the amount raised from an additional \$0.01 tax rate, as adjusted for reassessment, in addition to all other appropriations. The reassessment adjustment for these tax rates was added by SEA 1 - 2004 and first affects appropriations in CY 2004.

Under this proposal, the reassessment adjustment on the rates used to calculate the maximum supplemental appropriations would be removed. Unlike the required appropriation, the money raised for the supplemental appropriation *is* subject to the maximum levy limitation. Therefore, if a county chooses to make any increased supplemental appropriations, they would have to come from current resources if a county is at its maximum levy.

This bill does not affect current law as it pertains to the mandatory appropriation that is based on tax rate of \$0.0133 as adjusted for reassessment.

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** Counties; Community Mental Health Centers.

**Information Sources:** Local Government Database.

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.